



General Assembly

February Session, 2012

***Raised Bill No. 5375***

LCO No. 1654

\*01654\_\_\_\_\_VA\_\*

Referred to Committee on Select Committee on Veterans' Affairs

Introduced by:  
(VA)

***AN ACT INCREASING THE MUNICIPAL PROPERTY TAX EXEMPTION  
FOR VETERANS AND THEIR HEIRS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivisions (19) to (26), inclusive, of section 12-81 of the  
2 2012 supplement to the general statutes are repealed and the following  
3 is substituted in lieu thereof (*Effective October 1, 2012, and applicable to*  
4 *assessment years commencing on or after October 1, 2012*):

5 (19) Subject to the provisions of sections 12-89, 12-90 and 12-95,  
6 [property to the amount of one thousand dollars] ten per cent of the  
7 assessed value of property belonging to, or held in trust for, any  
8 resident of this state who (a) is a veteran of the armed forces in service  
9 in time of war, (b) any resident of this state who was a citizen of the  
10 United States at the time of his or her enlistment and who was in the  
11 military or naval service of a government allied or associated with that  
12 of the United States during the Second World War and received an  
13 honorable discharge therefrom, (c) any resident of this state who  
14 served during the Second World War as a member of any armed force  
15 of any government signatory to the United Nations Declaration of  
16 January 1, 1942, and participated in armed conflict with an enemy of

17 the United States and who has been a citizen of the United States for at  
18 least ten years and presents satisfactory evidence of such service, (d)  
19 any resident of this state who served as a member of the crew of a  
20 merchant vessel during the Second World War and is qualified with  
21 respect to such service as a member of the group known as the  
22 "American Merchant Marine in ocean-going service during the period  
23 of armed conflict, December 7, 1941, to August 15, 1945", members of  
24 which are deemed to be eligible for certain veterans benefits under a  
25 determination in the United States Department of Defense, as recorded  
26 in the Federal Register of February 1, 1988, provided such resident has  
27 received an armed forces discharge certificate from the Department of  
28 Defense on the basis of such service, (e) any member of the armed  
29 forces who was in service in time of war and is still in the service and  
30 by reason of continuous service has not as yet received a discharge, (f)  
31 any person who is retired from the armed forces after thirty years of  
32 service because he or she has reached the age limit prescribed by law  
33 or because he or she suffers from mental or physical disability, or (g)  
34 any person who is serving in the armed services in time of war; or  
35 lacking said amount of property in his or her own name, so much of  
36 the property belonging to, or held in trust for, his or her spouse, who is  
37 domiciled with him or her, as is necessary to equal said amount. For  
38 the purposes of this subdivision, "veteran", "armed forces" and "service  
39 in time of war" have the same meaning as in section 27-103;

40 (20) Subject to the provisions hereinafter stated, a fixed percentage  
41 of property [not exceeding three thousand dollars in amount] shall be  
42 exempt from taxation, which property belongs to, or is held in trust  
43 for, any resident of this state who has served, or is serving, in the  
44 Army, Navy, Marine Corps, Coast Guard or Air Force of the United  
45 States and (1) has a disability rating by the Veterans' Administration of  
46 the United States amounting to ten per cent or more of total disability,  
47 provided such exemption shall be fifteen [hundred dollars] per cent of  
48 the assessed value of property in any case in which such rating is  
49 between ten per cent and twenty-five per cent; [two thousand dollars]  
50 twenty per cent of the assessed value of property in any case in which

51 such rating is more than twenty-five per cent but not more than fifty  
52 per cent; twenty-five [hundred dollars] per cent of the assessed value  
53 of property in any case in which such rating is more than fifty per cent  
54 but not more than seventy-five per cent; and [three thousand dollars]  
55 thirty per cent of the assessed value of property in any case in which  
56 such person has attained sixty-five years of age or such rating is more  
57 than seventy-five per cent; or (2) is receiving a pension, annuity or  
58 compensation from the United States because of the loss in service of a  
59 leg or arm or that which is considered by the rules of the United States  
60 Pension Office or the Bureau of War Risk Insurance the equivalent of  
61 such loss. If such veteran lacks such amount of property in his or her  
62 name, so much of the property belonging to, or held in trust for, his or  
63 her spouse, who is domiciled with him or her, as is necessary to equal  
64 such amount shall also be so exempt. When any veteran entitled to an  
65 exemption under the provisions of this section has died, property  
66 belonging to, or held in trust for, his or her surviving spouse, while  
67 such spouse remains a widow or widower, or belonging to or held in  
68 trust for his or her minor children during their minority, or both, while  
69 they are residents of this state, shall be exempt in the same aggregate  
70 amount as that to which the disabled veteran was or would have been  
71 entitled at the time of his or her death. No individual entitled to  
72 exemption under this subdivision and under one or more of  
73 subdivisions (19), (22), (23), (25) and (26) of this section shall receive  
74 more than one exemption. No individual shall receive any exemption  
75 to which he or she is entitled under this subdivision until he or she has  
76 complied with section 12-95 and has submitted proof of his or her  
77 disability rating, as determined by the Veterans' Administration of the  
78 United States, to the assessor of the town in which the exemption is  
79 sought. If there is no change to an individual's disability rating, such  
80 proof shall not be required for any assessment year following that for  
81 which the exemption under this subdivision is granted initially. If the  
82 Veterans' Administration of the United States modifies a veteran's  
83 disability rating, such modification shall be deemed a waiver of the  
84 right to such exemption until proof of disability rating is submitted to

85 the assessor and the right to such exemption is established as required  
86 initially. Any person who has been unable to submit evidence of  
87 disability rating in the manner required by this subdivision, or who  
88 has failed to submit such evidence as provided in section 12-95, may,  
89 when he or she obtains such evidence, make application to the  
90 collector of taxes within one year after he or she obtains such proof or  
91 within one year after the expiration of the time limited in section 12-95,  
92 as the case may be, for abatement in case the tax has not been paid, or  
93 for refund in case the whole tax has been paid, of such part or the  
94 whole of such tax as represents the service exemption. Such abatement  
95 or refund may be granted retroactively to include the assessment day  
96 next succeeding the date as of which such person was entitled to such  
97 disability rating as determined by the Veterans' Administration of the  
98 United States, but in no case shall any abatement or refund be made  
99 for a period greater than three years. The collector shall, after  
100 examination of such application, refer the same, with his or her  
101 recommendations thereon, to the board of selectmen of a town or to  
102 the corresponding authority of any other municipality, and shall  
103 certify to the amount of abatement or refund to which the applicant is  
104 entitled. Upon receipt of such application and certification, the  
105 selectmen or other duly constituted authority shall, in case the tax has  
106 not been paid, issue a certificate of abatement or, in case the whole tax  
107 has been paid, draw an order upon the treasurer in favor of such  
108 applicant for the amount without interest which represents the service  
109 exemption. Any action so taken by such selectmen or other authority  
110 shall be a matter of record and the tax collector shall be notified in  
111 writing of such action;

112 (21) (A) The dwelling house, and the lot whereupon the same is  
113 erected, belonging to or held in trust for any person who is a citizen  
114 and resident of this state, occupied as such person's domicile, shall be  
115 exempt from local property taxation to the extent of [ten thousand  
116 dollars] forty per cent of its assessed valuation or, lacking said amount  
117 in property in such person's own name, so much of the property  
118 belonging to, or held in trust for, such person's spouse, who is

119 domiciled with such person, as is necessary to equal said amount, if  
120 such person is a veteran who served in the Army, Navy, Marine Corps,  
121 Coast Guard or Air Force of the United States and has been declared  
122 by the United States Veterans' Administration or its successors to have  
123 a service-connected disability from paraplegia or osteochondritis  
124 resulting in permanent loss of the use of both legs or permanent  
125 paralysis of both legs and lower parts of the body; or from hemiplegia  
126 and has permanent paralysis of one leg and one arm or either side of  
127 the body resulting from injury to the spinal cord, skeletal structure or  
128 brain or from disease of the spinal cord not resulting from any form of  
129 syphilis; or from total blindness as defined in section 12-92; or from the  
130 amputation of both arms, both legs, both hands or both feet, or the  
131 combination of a hand and a foot; sustained through enemy action, or  
132 resulting from accident occurring or disease contracted in such active  
133 service. Nothing in this subdivision shall be construed to include  
134 paraplegia or hemiplegia resulting from locomotor ataxia or other  
135 forms of syphilis of the central nervous system, or from chronic  
136 alcoholism, or to include other forms of disease resulting from the  
137 veteran's own misconduct which may produce signs and symptoms  
138 similar to those resulting from paraplegia, osteochondritis or  
139 hemiplegia. The loss of the use of one arm or one leg because of service  
140 related injuries specified in this subdivision shall qualify a veteran for  
141 a property tax exemption in the same manner as hereinabove,  
142 provided such exemption shall be for [five thousand dollars] thirty per  
143 cent of the property's assessed valuation;

144 (B) The exemption provided for in this subdivision shall be in  
145 addition to any other exemption of such person's real and personal  
146 property allowed by law, but no taxpayer shall be allowed more than  
147 one exemption under this subdivision. No person shall be entitled to  
148 receive any exemption under this subdivision until such person has  
149 satisfied the requirements of subdivision (20) of this section. The  
150 surviving spouse of any such person who at the time of such person's  
151 death was entitled to and had the exemption provided under this  
152 subdivision shall be entitled to the same exemption, (i) while such

153 spouse remains a widow or widower, or (ii) upon the termination of  
154 any subsequent marriage of such spouse by dissolution, annulment or  
155 death and while a resident of this state, for the time that such person is  
156 the legal owner of and actually occupies a dwelling house and  
157 premises intended to be exempted hereunder. When the property  
158 which is the subject of the claim for exemption provided for in this  
159 subdivision is greater than a single family house, the assessor shall  
160 aggregate the assessment on the lot and building and allow an  
161 exemption of that percentage of the aggregate assessment which the  
162 value of the portion of the building occupied by the claimant bears to  
163 the value of the entire building;

164 (C) Subject to the approval of the legislative body of the  
165 municipality, the dwelling house and the lot whereupon the same is  
166 erected, belonging to or held in trust for any citizen and resident of this  
167 state, occupied as such person's domicile shall be fully exempt from  
168 local property taxation, if such person is a veteran who served in the  
169 Army, Navy, Marine Corps, Coast Guard or Air Force of the United  
170 States and has received financial assistance for specially adapted  
171 housing under the provisions of Section 801 of Title 38 of the United  
172 States Code and has applied such assistance toward the acquisition or  
173 modification of such dwelling house. The same exemption may also be  
174 allowed on such housing units owned by the surviving spouse of such  
175 veteran (i) while such spouse remains a widow or widower, or (ii)  
176 upon the termination of any subsequent marriage of such spouse by  
177 dissolution, annulment or death, or by such veteran and spouse while  
178 occupying such premises as a residence;

179 (22) Subject to the provisions of sections 12-89, 12-90 and 12-95,  
180 [property to the amount of one thousand dollars] ten per cent of the  
181 assessed value of property belonging to, or held in trust for, any  
182 surviving spouse while such person remains a widow or widower, or a  
183 minor child or both, residing in this state, of one who has served in the  
184 Army, Navy, Marine Corps, Coast Guard or Air Force of the United  
185 States or of any citizen of the United States who served in the military

186 or naval service of a government allied or associated with the United  
187 States, as provided by subdivision (19) of this section, and has died  
188 either during his or her term of service or after receiving an honorable  
189 discharge therefrom, provided such amount shall be [three thousand  
190 dollars] thirty per cent of the assessed value of property if death was  
191 due to service and occurred while on active duty;

192 (23) Subject to the provisions of sections 12-89, 12-90 and 12-95,  
193 [property to the amount of one thousand dollars] ten per cent of the  
194 assessed value of property belonging to, or held in trust for, any  
195 surviving spouse, while such spouse remains a widow or widower,  
196 resident of this state, of one who has served in the Army, Navy,  
197 Marine Corps, Coast Guard or Air Force of the United States, which  
198 surviving spouse is receiving or has received a pension, annuity or  
199 compensation from the United States;

200 (24) The exemption from taxation granted by subdivision (22) of this  
201 section [, to the amount of three thousand dollars] allowable to the  
202 widow or widower or minor child or both of a veteran whose death  
203 was due to service and occurred on active duty shall be thirty per cent  
204 of the assessed value of property and shall be granted to any widow or  
205 widower drawing compensation from the Veterans' Administration,  
206 upon verification of such fact by letter from the Veterans'  
207 Administration;

208 (25) Subject to the provisions of sections 12-89, 12-90 and 12-95,  
209 [property to the amount of one thousand dollars] ten per cent of the  
210 assessed value of property belonging to, or held in trust for, a sole  
211 surviving parent, while such parent remains a widow or widower,  
212 resident of this state, of one who has left no widow or widower, or  
213 whose widow or widower has remarried or died, and who has served  
214 in the Army, Navy, Marine Corps, Coast Guard or Air Force of the  
215 United States as provided by subdivision (19) of this section and has  
216 died during his or her term of service or after receiving an honorable  
217 discharge therefrom, provided, property belonging to, or held in trust

218 for, such parent of more than one serviceman or servicewoman who  
 219 has left no widow or widower, or whose widow or widower has  
 220 remarried or died, and who has served in the Army, Navy, Marine  
 221 Corps, Coast Guard or Air Force of the United States as provided in  
 222 subdivision (19) of this section and has died during his or her term of  
 223 service shall be subject to an exemption of [one thousand dollars] ten  
 224 per cent of the assessed value of property for each such serviceman or  
 225 servicewoman;

226 (26) Subject to the provisions of sections 12-89, 12-90 and 12-95,  
 227 [property to the amount of one thousand dollars] ten per cent of the  
 228 assessed value of property belonging to, or held in trust for, any father  
 229 or mother, resident of this state, of one who served in the Army, Navy,  
 230 Marine Corps, Coast Guard or Air Force of the United States as long as  
 231 such father or mother receives, or has received, a pension, annuity or  
 232 compensation from the United States; or if such parent lacks said  
 233 amount of property in his or her own name, so much of the property  
 234 belonging to, or held in trust for, his or her spouse, who is domiciled  
 235 with him or her, as is necessary to equal said amount;

236 Sec. 2. (NEW) (*Effective October 1, 2012, and applicable to assessment*  
 237 *years commencing on or after October 1, 2012*) The state shall reimburse  
 238 each town, city, borough, consolidated town and city, and  
 239 consolidated town and borough by the last day of each calendar year  
 240 in which exemptions were granted to the extent of the revenue loss  
 241 represented by the exemptions provided for in subdivisions (19) to  
 242 (26), inclusive, of section 12-81 of the general statutes. The Secretary of  
 243 the Office of Policy and Management shall review each claim for such  
 244 revenue loss as provided in section 12-120b of the general statutes.  
 245 Any claimant aggrieved by the results of the secretary's review shall  
 246 have the rights of appeal as set forth in said section 12-120b.

247 Sec. 3. Subsection (c) of section 12-81g of the general statutes is  
 248 repealed and the following is substituted in lieu thereof (*Effective July*  
 249 *1, 2012*):

250 (c) The state shall reimburse each town, city, borough, consolidated  
 251 town and city and consolidated town and borough by the last day of  
 252 each calendar year in which exemptions were granted to the extent of  
 253 the revenue loss represented by the additional exemptions provided  
 254 for in subsection (a) of this section. The Secretary of the Office of Policy  
 255 and Management shall review each claim for such revenue loss as  
 256 provided in section 12-120b. Any claimant aggrieved by the results of  
 257 the secretary's review shall have the rights of appeal as set forth in  
 258 section 12-120b. [In the fiscal year commencing July 1, 2003, and in  
 259 each fiscal year thereafter, the amount payable to each municipality in  
 260 accordance with this section shall be reduced proportionately in the  
 261 event that the total amount payable to all municipalities exceeds the  
 262 amount appropriated.]

|   |   |                   |
|---|---|-------------------|
| This act shall take effect as follows and shall amend the following sections: |   |                   |
| Section 1   | <i>October 1, 2012, and applicable to assessment years commencing on or after October 1, 2012</i> | 12-81(19) to (26) |
| Sec. 2  | <i>October 1, 2012, and applicable to assessment years commencing on or after October 1, 2012</i> | New section       |
| Sec. 3  | <i>July 1, 2012</i>   | 12-81g(c)         |

***Statement of Purpose:***

To increase municipal property tax exemptions available to veterans and their heirs and to require the state to refund municipalities for property tax losses associated with these exemptions.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*